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C O N F I D E N T I A L SECTION 01 OF 02 ROME 000073

SIPDIS

E.O. 12958: DECL: 01/07/2012

TAGS: PGOV PREL IT PREL IT EU EUPGOV ITALIAN POLITICS SUBJECT: RUGGIERO'S DEPARTURE DOES NOT EQUATE TO EUROPE WITHOUT ITALY

REF: A) ROME 67 B) ROME 65 C) 2001 ROME 6573

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- 11. (C) SUMMARY AND COMMENT: MEDIA ANALYSIS TO THE CONTRARY, THE WEEKEND "RESIGNATION" (UNDER DURESS) OF FM RENATO RUGGIERO DOES NOT EQUATE TO AN ABOUT-FACE IN ITALY'S PRO-EUROPEAN STANCE. ITALY WILL REMAIN SOLIDLY IN EUROPE -- AND IN NATO, AND A SOLID PARTNER OF THE U.S. RUGGIERO'S DEPARTURE IS THE END OF A FORCED MARRIAGE BETWEEN TWO STRONG-WILLED INDIVIDUALS, ONE OF WHOM (RUGGIERO) HAD NO ORGANIZED POLITICAL SUPPORT. BERLUSCONI IS LIKELY TO SELECT (BUT NOT NECESSARILY SOON) A POLITICIAN TO REPLACE RUGGIERO, SOMEONE WHO WILL ENSURE THAT IN FOREIGN POLICY, AS IN DOMESTIC, THE GOI SPEAKS WITH ONE VOICE. AT THE SAME TIME, THE BERLUSCONI GOVERNMENT WILL CONTINUE TO ASSERT ITALY'S RIGHT TO PROTECT ITS INTERESTS WITHIN THE INSTITUTIONS TO WHICH IT BELONGS, SOMETHING THAT IS ANATHEMA TO ITALY'S LEFT. END SUMMARY AND COMMENT.
- 12. (C) DESPITE SOME MEDIA HEADLINES TRUMPETING THE TRIUMPH OF THOSE IN THE BERLUSCONI GOVERNMENT WHO ARE "AGAINST EUROPE," THE WEEKEND RESIGNATION OF ITALY'S FOREIGN MINISTER RENATO RUGGIERO DOES NOT SIGNIFY THAT THE GOI IS TURNING ITS BACK ON EUROPE. THE PRIME MINISTER HIMSELF SAID ITALY'S FUTURE LIES "IN A STRONGER EUROPE" AND STRESSED "ITALY'S ABSOLUTE COMMITMENT TO THE EURO, TO EUROPE AND TO NATO." ALL GOI CABINET-LEVEL OFFICIALS HAVE SAID MUCH THE SAME THING --PERCEIVED CRITICISM OR LACK OF ENTHUSIASM FOR THE EURO NOTWITHSTANDING. FINANCE MINISTER TREMONTI, A BLUNT, LONG-TIME EURO-SKEPTIC, SAID THE GOI'S "PRO-EUROPEAN ECONOMIC POLICY...HAS BEEN PROVEN... WE BELIEVE IN THE EURO." AND DEPUTY PRIME MINISTER FINI ADDED "WE REMAIN TOTALLY COMMITTED CONFIDENTIAL
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 TO EUROPE." WHILE BERLUSCONI AND HIS MINISTERS HAVE
 OCCASIONALLY MADE CLEAR THEIR DESIRE TO ENSURE THAT ITALY'S
 INTERESTS ARE NOTED AND RESPECTED BY ITS EUROPEAN COLLEAGUES,
 THEY HAVE NEVER THREATENED TO TAKE ITALY OUT OF EUROPE. ANY
 MENTION OF "ITALIAN INTERESTS" AS SOMETHING DISTINCT FROM
 "EUROPEAN INTERESTS," HOWEVER, IS ANATHEMA TO THE ITALIAN
 LEFT. WHILE NOT WANTING TO GET ON THE BANDWAGON OF SEEING
 PLOTS AND CONSPIRACIES, IT IS A FACT THAT MOST EUROPEAN
 NATIONS ARE CURRENTLY HEADED BY CENTER-LEFT GOVERNMENTS, MANY
 OF WHOM HAD, AND PROBABLY RETAIN, DEEP SUSPICIONS OF
 BERLUSCONI HIMSELF AND HIS NORTHERN LEAGUE AND NATIONAL
 ALLIANCE PARTNERS. THE EUROPEAN MEDIA ALSO TEND TO REFLECT
 SUCH VIEWPOINTS.
- 13. (C) THE BERLUSCONI GOVERNMENT IS WARY THAT THE UNION IS MOVING TOO FAR, TOO FAST ON MANY ISSUES, THAT ITALY'S INTERESTS ARE NOT BEING CONSIDERED (A REFLECTION PERHAPS OF BEING SEEN AS A LESSER PLAYER IN THE EU), AND THAT THE COMMISSION IS HAM-STRINGING ITALY IN DEMANDING THAT STABILITY PACT TARGETS BE FULFILLED. FINI CONTINUED HIS QUOTE ABOVE SAYING "WE ALSO RESERVE OUR RIGHT TO DEFEND OUR INTERESTS, JUST AS THE FRENCH AND THE GERMANS AND THE BRITISH DO." TREMONTI STRONGLY BELIEVES THAT THE SINGLE CURRENCY IS NOT THE PANACEA TO EUROPE'S ECONOMIC WOES, THOUGH IT WILL HELP TO FACILITATE BUSINESS AND TRADE. HE WOULD PREFER THAT THE COMMISSION STICK TO FUNCTIONAL AND ADMINISTRATIVE MATTERS. RETICENCE TOWARD THE EURO AND THE COMMISSION ARE NOT, HOWEVER, TANTAMOUNT TO OPPOSING EITHER THE UNION OR THE EURO. AND THE EURO-SKEPTICS IN THE GOVERNMENT HAVE THEIR COUNTERBALANCES. PRESIDENT OF THE REPUBLIC CIAMPI REMAINS ON BOARD AND COULD BE EXPECTED TO PUT UP A STRONG FIGHT, AS
- PAGE 04 ROME 00073 01 OF 02 071555Z WOULD THE ITALIAN PUBLIC AND PARLIAMENT, IF SKEPTICISM LED TO AN IDEA OF FORSAKING EUROPE -- WHICH THIS GOVERNMENT DOES NOT INTEND TO DO.
- 14. (C) RUGGIERO'S DEPARTURE IS THE RESULT OF A CLASH OF PERSONALITIES AND STYLES, AS MUCH AS ANYTHING ELSE. RUGGIERO, AS NOTED REF A AND C, WAS TO SOME DEGREE FOISTED ON BERLUSCONI. HIS "MEDDLING" IN DEFENSE MATTERS (REF C), AND MORE RECENTLY IN THE EURO (REF A) WAS GUARANTEED NOT TO ENDEAR HIM TO HIS FELLOW MINISTERS. IN THE MORE RECENT EXCHANGES, HIS TRUMPETING OF HIS OWN POPULARITY (WHICH ACCORDING TO RECENT POLLS REMAINS HIGH -- HIGHER THAN

BERLUSCONI'S), ESPECIALLY AMONG OPPOSITION POLITICIANS, WAS EQUALLY CERTAIN TO RAISE THE HACKLES OF HIS BOSS, THE PM. AS A "TECHNOCRATIC MINISTER" (WHETHER OR NOT HE LIKES THE TERM), RUGGIERO LACKED A POLITICAL PARTY TO SUPPORT HIM, TO TELL THE PM THAT "THIS IS OUR PERSON ON YOUR TEAM AND HE MUST STAY." AS THE PROFESSIONAL DIPLOMAT, RUGGIERO MIGHT HAVE BEEN EXPECTED TO SHOW LOYALTY, CALM MATTERS DOWN, OPERATE BEHIND THE SCENES. BUT THIS WAS NOT THE CASE. WHILE BERLUSCONI MAY HAVE PLAYED THE SAME GAME, RUGGIERO HAS AT TIMES ACTED IN A PETULANT MANNER, COMING CLOSE TO CHORTLING OVER HIS VICTORIES (AS IN THE ARREST WARRANT CASE) IN PUBLIC.

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ACTION EUR-00

ACQ-00 CIAE-00 DODE-00 SRPP-00 TEDE-00 INR-00 IO-00 L-00 INFO LOG-00 NP-00AID-00 ACQ-00 VC-00 IO-00 DS-00 H - 0.1NSAE-00 OMB-01 ACE-00 P-00 OPIC-01 PA-00 PC-01 AC-01 PM - 00PRS-00 SCT-00 SP-00 IRM-00 SSO-00 TRSE-00 USIE-00 EPAE-00 SNIS-00 NISC-00 PMB-00 DSCC-00 00 NFAT-00 SAS-00 /007W -----5446FA 071557Z /75 G-00 NFAT-00 SAS-00 DRT:-02

O 071335Z JAN 02
FM AMEMBASSY ROME
TO SECSTATE WASHDC IMMEDIATE 1528
INFO EU MEMBER STATES COLLECTIVE PRIORITY
AMEMBASSY ANKARA PRIORITY
NSC WASHDC PRIORITY
SECDEF WASHDC PRIORITY
USMISSION USOSCE PRIORITY
USMISSION USUN NEW YORK PRIORITY
USMISSION USNATO PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 ROME 000073

STPDTS

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- 15. (C) RUGGIERO'S DEPARTURE, AND MORE IMPORTANTLY, CONFIDENTIAL
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 BERLUSCONI'S PROMISE TO HOLD THE FOREIGN MINISTER'S PORTFOLIO
 FOR "AT LEAST SIX MONTHS," MAY SIGNAL CHANGES IN THE MFA, BUT
 THESE ARE LIKELY TO BE MORE IN TERMS OF SOME PERSONNEL. AS
 NOTED REF C, WE WONDER IF INDIVIDUALS WHO ARE PERCEIVED AS
 BEING EITHER "RUGGIERO'S" OR LESS THAN ENTHUSIASTIC IN
 PROMOTING GOI POLICY MIGHT BE CHANGED. BERLUSCONI ALSO
 INDICATED IN EARLY PRESS INTERVIEWS THAT HE WOULD LIKE TO SEE
 INCREASED EMPHASIS BY ITALIAN AMBASSADORS ON SUPPORTING
 ITALY'S SMALL AND MEDIUM-SIZED BUSINESSES AND INCREASING
 EXPORTS. HE SUGGESTED HE WOULD LIKE TO EVALUATE AMBASSADORS
 ON THESE TERMS AND PERHAPS APPOINT MORE POLITICAL
 AMBASSADORS. THESE KINDS OF CHANGES DO NOT PORTEND A DRASTIC
 CHANGE IN FOCUS FOR ITALIAN FOREIGN POLICY, BUT RATHER A
 CHANGE IN NUANCE REFLECTIVE OF BERLUSCONI'S STYLE AND
 PRIORITIES.
- 16. (C) SIMILARLY, RUGGIERO'S DEPARTURE DOES NOT FORETELL A WEAKENING OF ITALIAN SUPPORT FOR NATO OR A WEAKER PARTNERSHIP WITH THE U.S. BERLUSCONI BELIEVES HIMSELF TO BE ON CLOSE PERSONAL TERMS WITH PRESIDENT BUSH AND HAS EVERY INTENTION OF FURTHER CEMENTING THAT RELATIONSHIP. BERLUSCONI APPEARS TO HAVE SOLID PUBLIC SUPPORT FOR THIS POSITION, AS OPINION POLLS CONTINUE TO REFLECT SOLID BACKING FOR STRONG ITALIAN TIES TO BOTH EUROPE AND THE U.S.
- 17. (C) WE DO NOT DOUBT THAT THE OPPOSITION WILL TAKE ADVANTAGE OF THE CHANGE TO WORK AGAINST THE GOVERNMENT. AS ONE OBSERVER NOTED, "THAT'S THE WAY OF ITALIAN POLITICS." BUT THE GOVERNMENT RETAINS ITS STRONG MAJORITY IN PARLIAMENT; PERHAPS THAT IS WHY BERLUSCONI WAS QUICK TO PRONOUNCE HIMSELF READY FOR A PARLIAMENTARY DEBATE ON ITALIAN FOREIGN POLICY. CONFIDENTIAL
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 WE WOULD NOT EXPECT SUCH A DEBATE TO SHOW AN ITALY HOSTILE TO EUROPE, TO NATO, OR TO THE U.S. RATHER, IT IS LIKELY THE OPPOSITION WOULD LEVEL ANTI-EUROPE CHARGES AT THE GOVERNMENT, WHICH WOULD RESPOND BY DECLARING ITS LOYALTY TO ALL THE ABOVE INSTITUTIONS TO THE EXTENT THAT THEY PROTECT ITALY'S INTERESTS. WE ARE MORE LIKELY TO SEE AN ESCALATION OF CLAIMS ABOUT WHO IS MORE LOYAL TO EUROPE THAN WHO IS MORE ANXIOUS TO LEAVE IT.
- 18. (C) IN TERMS OF PREDICTING THE FUTURE, IT APPEARS POSSIBLE THAT BERLUSCONI MAY HOLD THE MFA REINS FOR SEVERAL MONTHS. FOLLOWING THAT, WE THINK IT MOST LIKELY HE WILL

APPOINT A TRUSTED POLITICAL ALLY TO HEAD THE MFA, SOMEONE HE CAN COUNT ON TO PREVENT FUTURE PUBLIC EMBARRASSMENTS OF THE KIND HE SUFFERED REPEATEDLY WITH RUGGIERO. IN THE MEANTIME, WE DO NOT EXPECT A WHOLESALE WITCH-HUNT FOR THE "LEFTISTS" PERCEIVED BY SOME ON THE RIGHT TO BE INFILTRATING THE FARNESINA. BERLUSCONI MAY NEED SOME OF THE TOP LEVEL TO HELP HIM RUN THE PLACE FOR A TIME. IN THE NEAR TERM, SECRETARY GENERAL BALDOCCI WILL LIKELY BE A MORE IMPORTANT PLAYER. ON THE OTHER HAND, POLITICAL DIRECTOR ARAGONA, COORDINATOR FOR COUNTERTERRORISM ARMELLINI, AND OTHERS PERCEIVED AS DIRECT "RUGGIERO MEN" MAY BE LOOKING FOR NEW POSITIONS OVER THE MEDIUM TERM.

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